

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY
("PREPA"),

Debtor.

PROMESA

Title III

No. 17 BK 4780-LTS

ORDER AUTHORIZING PREPA TO ASSUME CERTAIN CONTRACTS WITH
ECOELÉCTRICA, L.P. AND GAS NATURAL APROVISIONAMIENTOS SDG, S.A.

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Upon PREPA's *Urgent Motion for Entry of an Order Authorizing PREPA to Assume Certain Contracts with EcoEléctrica, L.P. and Gas Natural Aproveisionamientos SDG, S.A.* (Docket Entry No. 12579 in Case No. 17-3283 and Docket Entry No. 1951 in Case No. 17-4780, the "Motion");² and the Court having found it has subject matter jurisdiction of this proceeding pursuant to section 306(a) of PROMESA; and it appearing that venue in this district is proper pursuant to section 307(a) of PROMESA; and the Oversight Board having approved the assumption of that certain: (i) Amended and Restated Power Purchase and Operating Agreement between Ecoelétrica, L.P. ("ECO") and PREPA (the "ECO PPOA"); and (ii) Amended and Restated Gas Sale and Purchase Agreement between PREPA and Gas Natural Aproveisionamientos SDG, S.A. (the "Naturgy GSPA"); and the Court having found that the ECO PPOA and Naturgy GSPA was entered into at arm's length and is a valid, legal and binding obligation of PREPA, that there are no pre-petition amounts due on the ECO PPOA (other than pre-petition amounts that may be subject to reconciliation at the time of entry of this Order) and the Naturgy GSPA, that the assumption of the ECO PPOA and Naturgy GSPA represents a sound exercise of PREPA's judgment and that the relief requested in the Motion is in the best interests of PREPA, its creditors, and other parties in interest; and the Court having found that PREPA provided adequate and appropriate notice of the Motion under the circumstances and that no other or further notice is required; and the Court having reviewed the Motion and having heard the statements of counsel in support of the Motion at a hearing held before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and any objections to the relief requested herein having been withdrawn or overruled on the merits; and upon the

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

record herein, after due deliberation thereon, the Court having found that good and sufficient cause exists for the granting of the relief as set forth herein; and for the reasons stated in the accompanying Memorandum Opinion, THEREFORE, IT IS HEREBY ORDERED THAT:

The Motion is GRANTED as set forth herein.

1. Pursuant to section 365 of the Bankruptcy Code, made applicable in this Title III Case pursuant to PROMESA section 301(a), PREPA is authorized to enter into and assume the ECO PPOA and Naturgy GSPA, each as amended and restated, and the ECO PPOA and Naturgy GSPA shall be deemed assumed upon entry of this Order.

2. The assumption of the ECO PPOA and Naturgy GSPA does not give rise to any cure costs, and the assumption of the ECO PPOA and Naturgy GSPA shall not result in a breach or violation of, or default under, the ECO PPOA and Naturgy GSPA. For the avoidance of doubt, however, nothing herein is intended to, shall constitute, or shall be deemed to constitute a release, limitation, or waiver of any of ECO's rights under the ECO PPOA, including with respect to any amounts that may be the subject of reconciliation at the time of entry of this Order.

3. Nothing in this Order shall interfere with or override PREB's process with respect to the approval of the Contracts, and the amended Contracts shall be subject to PREB resolving any pending motions seeking reconsideration of its entry of the Resolution and Order, *In re: Request for Approval of Amended and Restated Power Purchase and Operating Agreement with EcoEléctrica and Natural Gas Sale and Purchase Agreement with Naturgy*, Case No. NEPR-AP-2019-0001 (March 11, 2020) in a manner that reaffirms, or otherwise approves of, PREPA's performance under the Contracts.

4. PREPA and the Oversight Board, as PREPA's representative, are authorized to take all actions, and to execute all documents, necessary or appropriate, to effectuate the relief granted in this Order in accordance with the Motion and without further order of this Court.

5. The Court shall retain exclusive jurisdiction to hear and determine any and all disputes related to or arising from the implementation, interpretation and enforcement of this Order.

6. This Order resolves Docket Entry No. 12579 in Case No. 17-3283 and Docket Entry No. 1951 in Case No. 17-4780.

Dated: June 22, 2020

/s/ Laura Taylor Swain
HONORABLE LAURA TAYLOR SWAIN
United States District Judge